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# State of Utah Department of Commerce

Division of Securities

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## NEWS RELEASE

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### **Highland Man Accused of Fraud in the Sale of \$11 Million in Real Estate Notes** *Investors were promised 3-4% per month; solicitors earned ½ to 1% per month ...*

**SALT LAKE CITY, Utah** – An order to show cause was issued today against Hunters Capital and its owner, Paul L. Bouchard, of Highland, for taking over \$11 million from 140 investors for an investment scheme in real estate notes. According to the order to show cause, Bouchard and Hunters Capital approached investors between July 2005 and May 2007 soliciting money for hard-money loans to buy real estate. In return, investors were told they would receive 3-4% interest per month.

The order to show cause also names ten other people who solicited money for Hunters Capital and who were paid ½ to 1% per month of the amount they collected from other investors. The ten are: Daie Parkes (Utah County), Jared Hone (Utah County), Jerry Martin (Utah County), Chris Horne (Washington County), Chanse Carlson (Utah County), Rich Rusick (Utah County), Greg Warburton (Tooele County), Joel Scheer (Clark County, Nevada), Israel Curtis (Utah County), and Rachelle Taylor (Utah County).

According to the Division, Bouchard was a licensed mortgage lender for Innovator Mortgage. Bouchard advertised on the radio that he could help refinance home mortgages and then invest the profits of the equity borrowed against the home. He gave signed promissory notes to some of the investors; others were given verbal promises of profits. Those who invested with him were promised high monthly interest rates. Bouchard told investors that Hunters sent their money to Founders Capital. Investors were told their money would be used to purchase homes, which made the investment safe.

Hunters made interest payments to investors until May 2007, when all payments ceased. The investors have not received their money back. In February 2007, Bouchard and Hunters were notified by the Division that they were being investigated and promised to stop accepting investments from others. The Division alleges that Bouchard and Hunters accepted money from other investors through May 2007. Some of this money was used to pay refunds to others.

The order to show cause accuses Bouchard and Hunters of securities fraud. The ten salespersons are accused of selling unregistered securities. A hearing will be held on February 13 to determine whether Bouchard, Hunters, and the ten salespersons dispute the allegations against them. Separately, on December 4, 2007, the Utah Attorney General's office filed criminal charges against Bouchard. Those charges are pending.